



Infomerics Valuation And Rating Pvt. Ltd.

Press Release

Indiabulls Liquid Fund and Indiabulls Short Term Fund (Indiabulls Asset Management Company Limited)

November 21, 2018

Rating

Scheme Name	Rating	Rating Action
Indiabulls Liquid Fund	IVR AAAmfs (IVR Triple A mfs)	Reaffirmed and placed on notice of withdrawal
Indiabulls Short Term Fund	IVR AA+mfs (IVR Double A Plus mfs)	Reaffirmed and placed on notice of withdrawal

Details of Facilities are in Annexure 1

Rating Action

Infomerics Valuation and Rating Private Ltd has reaffirmed the credit quality rating of Indiabulls Liquid Fund at IVR AAAmfs (IVR Triple A mfs) and has placed the rating on “Notice of Withdrawal” for 30 days.

Infomerics Valuation And Rating Private Ltd has reaffirmed the credit quality rating of Indiabulls Short Term Fund at IVR AA+mfs (IVR Double A Plus mfs) and has placed the rating on ““Notice of Withdrawal” for 30 days.

Both these funds are managed by Indiabulls Asset Management Company Limited (Indiabulls AMC). The ratings have been placed on notice for withdrawal for one month, at the request of the fund house.

The rating indicates INFOMERICS' opinion on the credit quality of the underlying portfolio of debt securities that are held by the fund. The rating pertains to the specific Debt Mutual Fund scheme. The rating does not indicate the AMC's willingness, or ability, to make timely payments to the fund's investors. The rating is also not an opinion on the fund's prospective performance, net asset value (NAV) or yield of the fund. The NAV may vary with developments in the market.



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Detailed Rationale

The rating derives comfort from the credit worthiness of the underlying portfolio. The credit scores are assigned to the individual securities as per the credit worthiness of the security. The credit scores are then multiplied by the proportion of the security in the scheme to arrive at the weighted average credit score. The rating of the fund is primarily driven by the weighted average credit score. Apart from this, the assigned rating also takes into account the quality of Investment Manager (AMC) and strength of the sponsor.

List of Key Rating Drivers

- Credit worthiness of the underlying portfolio
- Quality of the AMC
- Strength of the sponsor

Analytical Approach and Applicable Criteria

Credit Quality Rating Methodology for Mutual Funds

Policy on Withdrawal of Ratings

About the Funds

Indiabulls Liquid Fund (IBLF) is a short-term open ended fund which was launched in October 2011. The investment objective of the fund is to generate returns commensurate with low risk, while the scheme would predominantly invest in money market instruments. The fund intends to provide a high level of liquidity with returns commensurate with low risk through a portfolio of money market and debt securities with maturity of up to 91 days. The fund's assets under management (AUM) stood at Rs.1589.5 crore as on October 31, 2018.

Indiabulls Short Term Fund (IBSTF) is a short-term open ended fund which was launched in September 2013. The investment objective of the fund is to generate stable returns over short term with a low risk strategy, while maintaining liquidity through a portfolio comprising debt and money market instruments. The fund intends to provide liquidity with returns commensurate with low risk through a portfolio of money market



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and debt securities with maturity ranging upto 5 years. The fund's assets under management (AUM) stood at Rs.180.8 crore as on October 31, 2018.

About the AMC

Indiabulls AMC is the Investment Manager of IBLF. It manages 10 mutual fund schemes with an AUM of Rs.8008 crore as on September 30, 2018. The risk management policy of the AMC lays down the methodology for the identification, measurement, monitoring and management of risks. The risk management policy is put into action through various oversight bodies such as Risk Management Committee, Investment Management Committee and Valuation Committee.

About the sponsor

The sponsor is Indiabulls Housing Finance Ltd (IBHFL). IBHFL is registered with National Housing Bank (NHB) and is engaged in the business of mortgage finance (home loans & loan against property) and corporate loans (mainly to real estate developers). IBHFL is one of the leading housing finance companies in India. IBHFL has presence in mortgage loans (housing loans and LAP), corporate loans (mainly in the nature of short-term secured bridge loans, project finance and lease rent discounting) and commercial vehicle financing. IBHFL is present across 220 locations spreading across 20 States and /or Union Territories of India. IBHFL reported a total revenue of Rs.14,640 crore and a PAT of Rs.3,847 crore in FY2018. As on March 31, 2018, its net worth and loan book stood at Rs.13,424 crore and Rs.1,22,578 crore respectively.

Key financial indicators: Not applicable

Status of non-cooperation with previous CRA: Not applicable

Any other information: Nil



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Rating History for last three years:

Scheme Name	Current Ratings (2018-19)			Rating History			
	Type	Amount Outstanding (Rs. Crore)	Rating	Date & Rating Press Release Assigned in 2018-19	Date & Rating Press Release Assigned in 2017-18	Date & Rating Press Release Assigned in 2016-17	Date & Rating Press Release Assigned in 2015-16
Indiabulls Liquid Fund	Long Term	-	IVR AAAmfs (Reaffirmed and placed on notice of withdrawal)	-	IVR AAAmfs (September 14, 2017)	Nil	Nil
Indiabulls Short Term Fund	Long Term	-	IVR AA+mfs (Reaffirmed and placed on notice of withdrawal)	IVR AA+mfs (June 22, 2018)	IVR AAAmfs (November 6, 2017)	IVR AAAmfs (November 2, 2016)	Nil

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Company's long



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experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an ‘as is where is’ basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facility

Scheme Name	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crores)	Rating Assigned/ Outlook
Indiabulls Liquid Fund	-	-	-	-	IVR AA+mfs (IVR Triple A mfs) (Reaffirmed and placed on notice of withdrawal)
Indiabulls Short Term Fund	-	-	-	-	IVR AA+mfs (IVR Double A Plus mfs) (Reaffirmed and placed on notice of withdrawal)